



HUNTON & WILLIAMS LLP
POST OFFICE BOX 109
RALEIGH, NORTH CAROLINA 27602

TEL 919 • 899 • 3000
FAX 919 • 833 • 6352

EDWARD S. FINLEY, JR.
DIRECT DIAL 919-899-3021
EMAIL efinley@hunton.com

FILE NO 24419 525

July 29, 2005

Via Overnight Delivery and Email

Ms. Sharla Dillon
Docket Room Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: ⁰⁵⁻⁰⁰¹⁸⁹ Docket 05-00197: Petition for Authority to Transfer Control
of Utilities, Inc. to Hydro Star, LLC

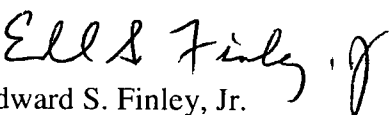
Dear Ms. Dillon:

As instructed in the letter of Aster Adams, Chief, Competitive Markets & Policy Division, dated July 20, 2005, we submit the original and 14 copies of the responses of Applicants to Data Request No. 1 of the Tennessee Regulatory Authority. A copy of this letter and the responses have been sent to you electronically.

Please return one file-stamped copy in the envelope provided.

If you have any questions, please let me know.

Sincerely,


Edward S. Finley, Jr.

ESF/mkl
Enclosures
cc: Steven M. Lubertozzi

DOCKET NO. 05-00197
APPLICANTS RESPONSES TO DATA REQUEST NO. 1
of the
TENNESSEE REGULATORY AUTHORITY

1. Provide a citation to a statute, rule, or order which warrants the Petition's approval.

RESPONSE:

Section 65-4-113 of the Tennessee Code. In addition, in 1991 when the stock in Utilities, Inc., parent of Tennessee Water Service, was acquired by Nuon, inquiry was made to the Tennessee Regulatory Authority as to whether that transaction would require TRA approval. Upon being informed that such approval would be required, application for such approval was submitted to TRA in Docket No. 01-00543. The TRA approved the request by order dated October 11, 2001.

2. Have the petitioners filed similar petitions or notices in other states? If so, provide a listing of states and action taken.

RESPONSE:

Petitioners have filed or are in the process of filing similar petitions in nine states: Pennsylvania, North Carolina, Florida, Illinois, Kentucky, Mississippi, Nevada, New Jersey and Virginia. As of yet, no final actions have been taken on the petitions.

3. Have the petitioners filed a similar petition with a federal agency? If so, list any action taken and the associated file(s) or document number(s). If a schedule to complete the review of your petition has been established by any federal agency, provide such with your response.

RESPONSE:

Petitioners have filed no similar petition with any federal agency.

4. Provide the number of customers that Utilities, Inc.'s subsidiary, Tennessee Water Service, Inc. currently has in Tennessee.

RESPONSE:

Approximately 540 customers.

5. Will all Utilities, Inc. customers in Tennessee be transferred to Hydro Star?

RESPONSE:

The Tennessee customers will not be transferred to Hydro Star. The customers will remain customers of Tennessee Water Service, Inc..

The petition only requests a transfer of control of Utilities, Inc. from its current owner to Hydro Star.

6. How were Utilities, Inc. customers informed of the change in ownership and/or operating authority to Hydro Star? In addition, provide a copy of the customer notice or letter informing customers of the change in ownership and/or operating authority to Hydro Star.

RESPONSE:

The change in ownership will be transparent to the Tennessee customers. No operators, billing procedures or other mode of communication will change unless required by the TRA through orders in this proceeding. Petitioners anticipate no formal notification. The TRA did not require customer notification in its October 11 order in Docket No. 01-00543.

7. Verify all current CCNs issued with the Authority, and provide copies of all current business licenses of Hydro Star and Utilities, Inc. filed with the Tennessee Secretary of State's Office.

RESPONSE:

The CCN for Tennessee Water Service is current. As Utilities, Inc. and/or its parent does not operate in Tennessee except through the wholly-owned affiliate, Tennessee Water Service, only Tennessee Water Service has a current business license on file with the Tennessee Secretary of State's office.

8. Confirm that petitioners will continue to operate under their present CCNs issued by the Authority and business licenses as filed with the Tennessee Secretary of State's Office.

RESPONSE:

Confirmed.

Petitioners will continue to operate under their present CCNs issued by the Authority and business licenses as filed with the Tennessee Secretary of State's office.

9. Provide current organizational charts of Hydro Star and Utilities, Inc. before and after the transaction.

RESPONSE:

Provided.

10. File the Stock Purchase Agreement (the "Agreement") the Petitioners entered into whereby Hydro Star will acquire all of Nuon Global Solutions USA Inc.'s issued and outstanding stock of Utilities, Inc., per the Petition filed with the TRA on July 11, 2005.

RESPONSE:

This agreement is provided with the request that it be treated as confidential information.

**OFFICERS AND DIRECTORS
OF
HYDRO STAR, LLC**

Christopher Lee - Chief Executive Officer/Director
Managing Director, AIG Highstar II GP, L.P.

Mr. Lee has 25 years' experience in private equity, banking and finance, principally in the energy, utility, transportation and capital goods sectors. He joined AIGGIC in 1998 and founded Highstar I in November 2000, where he was instrumental in obtaining \$406 million of commitments. Over the past 24 months, Mr. Lee has led the Highstar Team in the sourcing, evaluation, negotiation and closing of eight investments.

From 1995 to 1998, Mr. Lee was principally engaged as an independent advisor to clients in the infrastructure sector. From 1993 to 1995, Mr. Lee was Chief Financial Officer of Grupo Tribasa, an NYSE-listed, Mexico-based infrastructure development and construction company. Mr. Lee led Grupo Tribasa's initial public offering in September 1993 and, five months later, completed a secondary offering at nearly three times the initial public offering price. From 1986 to 1993, Mr. Lee worked at Lehman Brothers in the emerging markets, mergers and acquisitions (where he acted as the firm's global privatization coordinator) and project finance groups. Prior to his tenure at Lehman Brothers, Mr. Lee managed The Chase Manhattan Bank's U.S. construction and heavy equipment lending operations.

Mr. Lee received his B.A. from Johns Hopkins University and attended the London School of Economics.

Mr. Lee is President and a Director of Southern Star Central Corp. and a Director of Stagecoach Holdings, LLC and TransCore Holdings, Inc. Mr. Lee is a Managing Director of AIGGIC.

John Stokes – President/Director

Managing Director, AIG Highstar II GP, L.P.

Mr. Stokes has more than 25 years' experience in the energy industry, including fuel procurement and transportation, plant and system operations, and project development and finance, as well as overall business management. His experience spans almost every kind of fuel type and generation technology, including renewables such as wind, solar, and biomass, as well as conventional fuels like coal, oil, and natural gas. He manages certain energy assets in which Highstar I has invested. Prior to joining AIGGIC, Mr. Stokes was President and Chief Executive Officer of Azurix North America, a fully integrated provider of water and wastewater services to municipal, industrial, and private

customers throughout the United States and Canada. In 1997 and 1998, Mr. Stokes was President and Chief Executive Officer of Electric Lite, Inc., a pioneer in the retail-level marketing of electric power. Prior to that, Mr. Stokes held various senior-level positions with Enron Corp., ESI Energy, Inc., and Florida Power & Light Co.

He holds a B.S. in Mechanical Engineering from Clemson University and an M.B.A. from the University of Miami.

Marc Baliotti - Executive Vice President, and Treasurer

Principal, AIG Highstar II GP, L.P.

Mr. Baliotti has ten years of experience in private equity, direct investments and banking, principally in the energy sector. Since joining AIGGIC in 2002, Mr. Baliotti has been dedicated to Highstar I and has been primarily involved in the acquisition of an equity interest in the American Ref-Fuel Company and the evaluation of certain interstate natural gas pipeline investment opportunities. Previously, he was a Vice President with Bluevector, LLC (the private equity affiliate of MARCHfirst). From 1997 to 2000, Mr. Baliotti was as an Associate with DLJ Merchant Banking Partners, where he worked on a variety of principal transactions and related debt financings. From 1994 to 1996, he was an investment banking analyst at Morgan Stanley & Co.

Mr. Baliotti received a B.S. in Economics (with distinction) from the U.S. Naval Academy and, while in the U.S. Navy, received his M.B.A. from Villanova University.

Mr. Baliotti is a Director of the American Ref-Fuel Company.

Scott Litman - Secretary

Scott is the General Counsel for AIG Highstar II GP, L.P.

Hydro Star is a newly formed Delaware limited liability company, and will be merged into Nuon Global Solutions USA, Inc. immediately after the acquisition. Hydro Star's only business will be owning water and wastewater businesses. Utilities Inc. will be the first of those, but not necessarily the last. There could easily be other water businesses that will be owned by Hydro Star.

Highstar II Management Team

The Highstar Team consists of the following investment professionals who are employees of the Manager:

Christopher Lee (51)

Managing Director, AIG Highstar II GP, L.P.

Mr. Lee has 25 years' experience in private equity, banking and finance, principally in the energy, utility, transportation and capital goods sectors. He joined AIGGIC in 1998 and founded Highstar I in November 2000, where he was instrumental in obtaining \$406 million of commitments. Over the past 24 months, Mr. Lee has led the Highstar Team in the sourcing, evaluation, negotiation and closing of eight investments.

From 1995 to 1998, Mr. Lee was principally engaged as an independent advisor to clients in the infrastructure sector. From 1993 to 1995, Mr. Lee was Chief Financial Officer of Grupo Tribasa, an NYSE-listed, Mexico-based infrastructure development and construction company. Mr. Lee led Grupo Tribasa's initial public offering in September 1993 and, five months later, completed a secondary offering at nearly three times the initial public offering price. From 1986 to 1993, Mr. Lee worked at Lehman Brothers in the emerging markets, mergers and acquisitions (where he acted as the firm's global privatization coordinator) and project finance groups. Prior to his tenure at Lehman Brothers, Mr. Lee managed The Chase Manhattan Bank's U.S. construction and heavy equipment lending operations.

Mr. Lee received his B.A. from Johns Hopkins University and attended the London School of Economics.

Mr. Lee is President and a Director of Southern Star Central Corp. and a Director of Stagecoach Holdings, LLC and TransCore Holdings, Inc. Mr. Lee is a Managing Director of AIGGIC.

James Timmins (49)

Managing Director, AIG Highstar II GP, L.P.

Mr. Timmins has 24 years' experience in private equity and institutional investments, principally in the energy sector. Since joining AIGGIC in 2000, Mr. Timmins has been responsible for leading Highstar I's transaction sourcing and origination as well as Highstar I's co-investment and equity syndication activities.

From 1997 to 2000, Mr. Timmins was Director-Private Equity at Enron Corp., responsible for structuring and syndication of direct investments. From 1990 to 1996, Mr. Timmins was Vice President of Torch Energy Advisors, a Houston-based manager of institutional investment programs. From 1987 to 1989, he was a registered representative

in institutional sales with Kidder, Peabody and Co., Inc. From 1978 to 1987 he was involved in several upstream ventures including prospect generation and reserve acquisition in the oil and natural gas exploration and production industry.

Mr. Timmins received his B.A. in Business Administration and M.B.A. in Economics/Finance from Trinity University in San Antonio, Texas.

Michael Miller, CFA (45)

Managing Director, AIG Highstar II GP, L.P.

Mr. Miller has 17 years' experience in direct investments, principally in the energy and utility sectors. Since joining AIGGIC in 2001, Mr. Miller has been dedicated to Highstar I and has been the lead in Highstar I's investment initiatives in the power generation and waste-to-energy sectors. In addition, Mr. Miller managed the restructuring of Highstar I's investment in North Carolina Power Holdings, LLC. Prior to joining AIGGIC, Mr. Miller was a Vice President at Enron North America ("ENA"). At ENA, Mr. Miller led a group that developed and constructed over 3,000 megawatts of electric generation projects throughout the eastern part of the United States. Prior to joining ENA, Mr. Miller worked at Florida Power & Light from 1988 to 1993, where he sourced, structured and closed acquisitions of equity interests in 12 several generation projects that utilized a variety of fuels and technologies.

Mr. Miller received his B.S. from Rensselaer Polytechnic Institute, his M.B.A. from the University of Chicago and holds the Chartered Financial Analyst designation. Mr. Miller is a Director of the American Ref-Fuel Company.

John Stokes (52)

Managing Director, AIG Highstar II GP, L.P.

Mr. Stokes has more than 25 years' experience in the energy industry, including fuel procurement and transportation, plant and system operations, and project development and finance, as well as overall business management. His experience spans almost every kind of fuel type and generation technology, including renewables such as wind, solar, and biomass, as well as conventional fuels like coal, oil, and natural gas. He manages certain energy assets in which Highstar I has invested. Prior to joining AIGGIC, Mr. Stokes was President and Chief Executive Officer of Azurix North America, a fully integrated provider of water and wastewater services to municipal, industrial, and private customers throughout the United States and Canada. In 1997 and 1998, Mr. Stokes was President and Chief Executive Officer of Electric Lite, Inc., a pioneer in the retail-level marketing of electric power. Prior to that, Mr. Stokes held various senior-level positions with Enron Corp., ESI Energy, Inc., and Florida Power & Light Co.

He holds a B.S. in Mechanical Engineering from Clemson University and an M.B.A. from the University of Miami.

Michael Walsh (36)

Managing Director, AIG Highstar II GP, L.P.

Mr. Walsh has 12 years' experience in private equity and derivatives, principally in the energy and supply chain/logistics sectors. Since becoming a member of the Highstar Team in 2000, Mr. Walsh has led a number of Highstar I's investments, including Stagecoach Holdings, Southern Star Central and SkyBitz Corp. Prior to becoming dedicated to Highstar I, Mr. Walsh's responsibilities at AIGGIC included the development of alternative risk structures integrating the capital markets and the insurance market. At such time, his primary focus was securitization transactions for a variety of asset classes, including commercial mortgages, CBO/CLO and future flows. Prior to joining AIGGIC, Mr. Walsh was an Associate with NationsBank-CRT in derivatives sales/trading.

Mr. Walsh received his B.S. in Finance and Economics from the University of Illinois and his M.B.A. from the University of Chicago.

Mr. Walsh is the Vice President Chairman of Southern Star Central Corp. and sits on the Board of Directors of Stagecoach Holding, LLC, SkyBitz Corp. and Southern Star Central Corp.

Marc Baliotti (33)

Principal, AIG Highstar II GP, L.P.

Mr. Baliotti has ten years of experience in private equity, direct investments and banking, principally in the energy sector. Since joining AIGGIC in 2002, Mr. Baliotti has been dedicated to Highstar I and has been primarily involved in the acquisition of an equity interest in the American Ref-Fuel Company and the evaluation of certain interstate natural gas pipeline investment opportunities. Previously, he was a Vice President with Bluevector, LLC (the private equity affiliate of MARCHfirst). From 1997 to 2000, Mr. Baliotti was as an Associate with DLJ Merchant Banking Partners, where he worked on a variety of principal transactions and related debt financings. From 1994 to 1996, he was an investment banking analyst at Morgan Stanley & Co.

Mr. Baliotti received a B.S. in Economics (with distinction) from the U.S. Naval Academy and, while in the U.S. Navy, received his M.B.A. from Villanova University.

Mr. Baliotti is a Director of the American Ref-Fuel Company.

Mark Miles (35)

Principal, AIG Highstar II GP, L.P.

Mr. Miles has ten years' experience in private equity, banking and finance, principally in the energy and utility sectors. Prior to joining AIGGIC in June 2002, Mr. Miles was Vice President of Finance at Azurix Corp., an affiliate of Enron Corp., and prior to that was a Director in Enron North America's power and gas marketing group. Mr. Miles started his career at The Chase Manhattan Bank in the commodity derivatives group, where his primary focus was developing structured financing solutions for acquisition and development finance of energy and infrastructure assets.

Mr. Miles has an L.L.B. from the London School of Economics and an M.B.A. from the International Institute of Management Development in Switzerland.

Aaron Gold (29)

Associate, AIG Highstar II GP, L.P.

Mr. Gold has seven years' experience in private equity, banking and finance, principally in the energy and chain/logistics sectors. Since joining AIGGIC in 2001, Mr. Gold has been dedicated to Highstar I and has been primarily responsible for Highstar I's investment in Southern Star Central Corp. and for managing Highstar I's investments in TransCore Holdings, Inc. and Atlantech Holding Corp. Prior to joining the Highstar Team, Mr. Gold was Director of Business Operations/Business Development at Primedia Corporation's Internet/New Media Division, where he evaluated potential acquisitions, performed financial analyses, and negotiated business partnerships. From 1998 to 2000, Mr. Gold worked as an investment banking Associate in the Mergers & Acquisitions Group at BNY Capital Markets (formerly Patricof & Co. Capital Corp.), a subsidiary of The Bank of New York. Prior to 1998, he was an investment banking Analyst in the Financial Buyers Group at Bear Stearns & Co. Inc.

Mr. Gold received his A.B., cum laude, in Politics from Princeton University.

Mr. Gold is a Director of Southern Star Central Corp. and an observer for Highstar I on the Board of Directors for Atlantech Holding Corp. and TransCore Holdings, Inc.

Michele Januszkiewicz (36)

Associate, AIG Highstar II GP, L.P.

Ms. Januszkiewicz has over 14 years' experience in finance and administration. She joined the Highstar Team in March 2003. Previously, Ms. Januszkiewicz was an Analyst in the Finance and Controller's department of AIGGIC. From 1998 to 1999, Ms. Januszkiewicz was Vice President of Finance of Rhodes Associates, an executive search

firm. From 1997 to 1998, Ms. Januszkiewicz was a consultant to Warnervision Entertainment, a producer of home entertainment videos. From 1989 to 1997, Ms. Januszkiewicz was a Partner and Vice President, Finance and Administration for Precision Data Services, a provider of record management services. At Precision Data Services, Ms. Januszkiewicz was instrumental in coordinating the Company's sale to Anacomp, Inc. in late 1996.

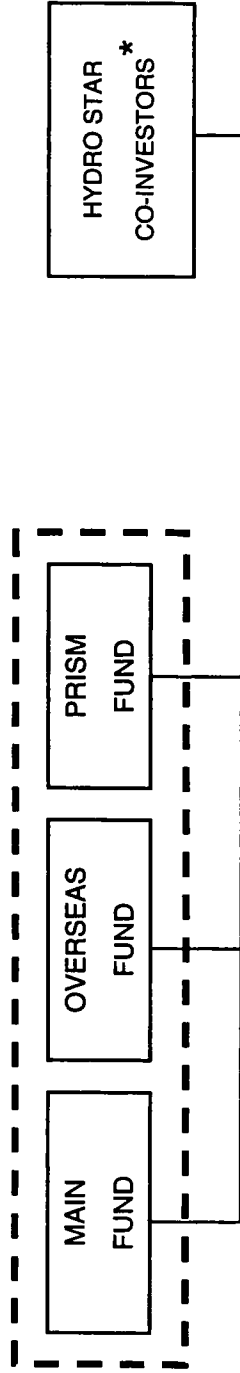
Ms. Januszkiewicz received a B.S. in Business Administration from the University of Florida.

UTILITIES, INC.

GENERAL OWNERSHIP STRUCTURE

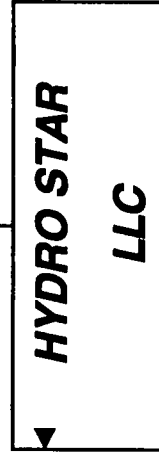
(POST CLOSING)

AIG HIGHSTAR CAPITAL II



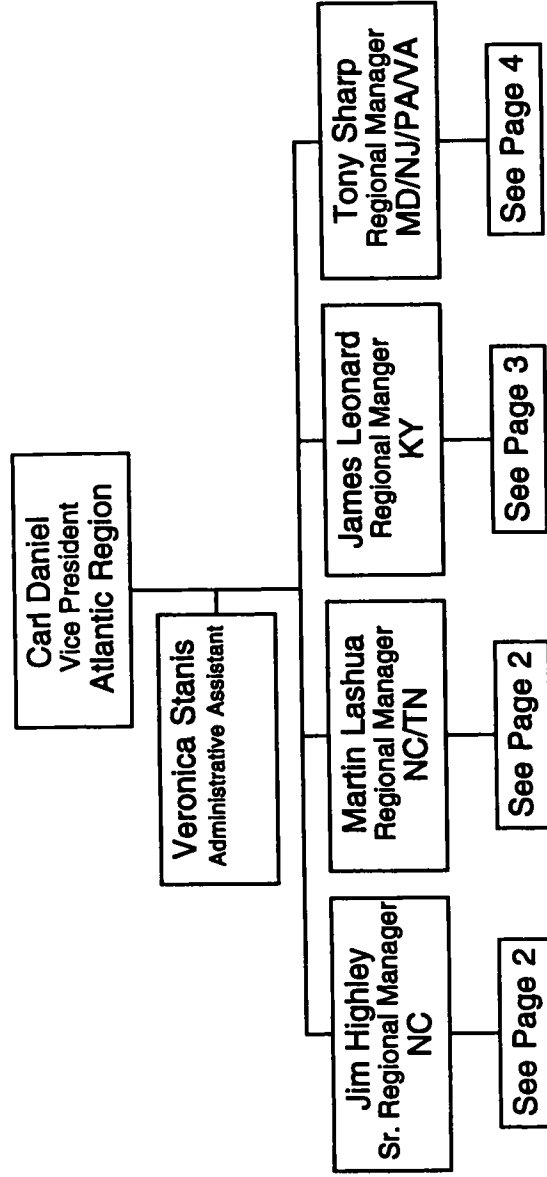
NOTE: AIG Highstar Capital GP II, L.P. is the general partner of each fund entity and will be the general partner of any co-investment vehicles

*** Hydro Star co-investors may invest through one or more limited partnerships, each of which will have AIG Highstar Capital GP II, L.P. as their general partner.**

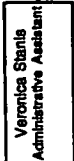


Utilities, Inc.

Atlantic Region



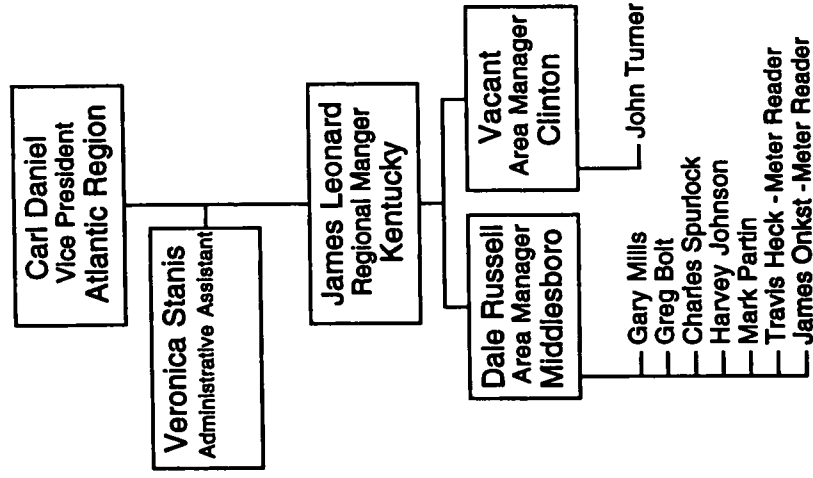
Atlantic Region



Utilities, Inc.

Atlantic Region

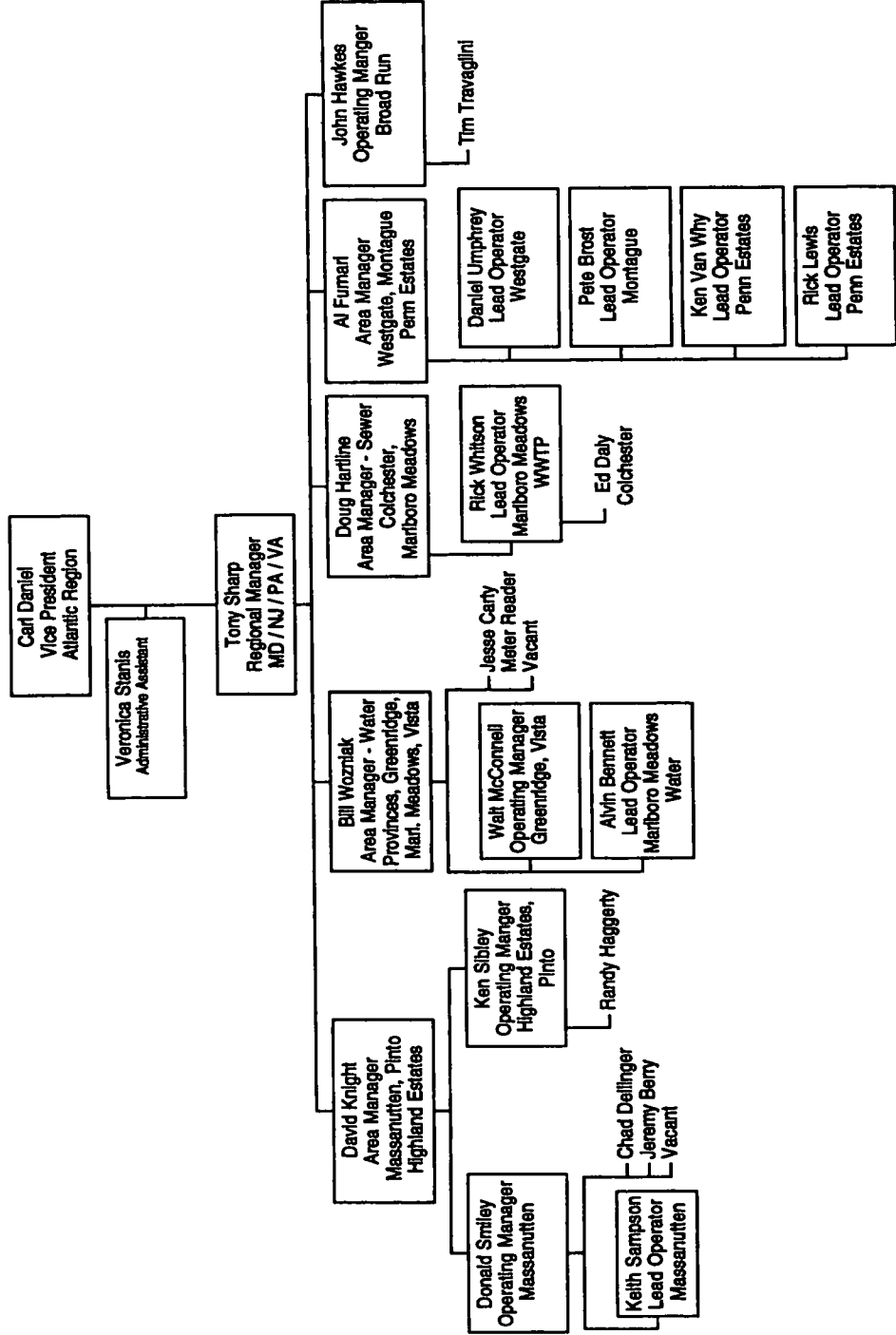
KY



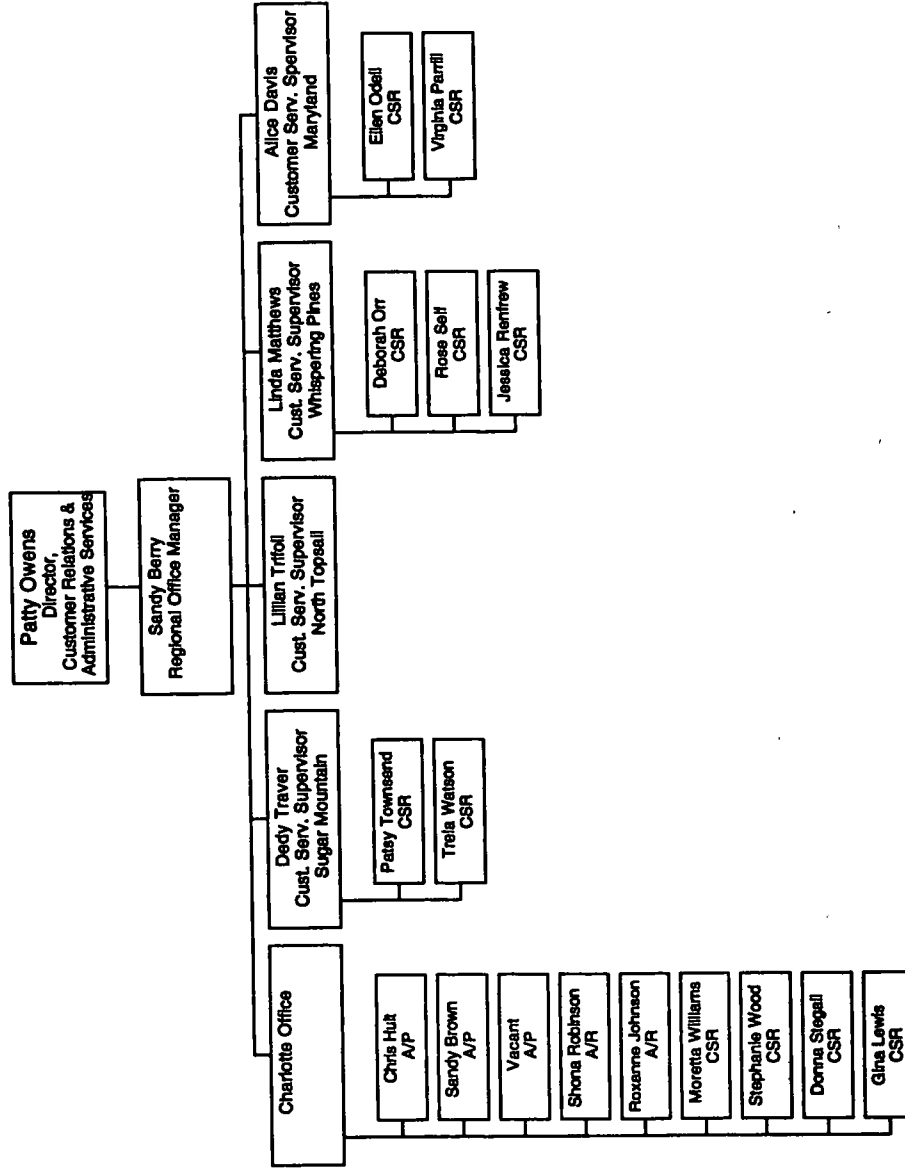
Utilities, Inc.

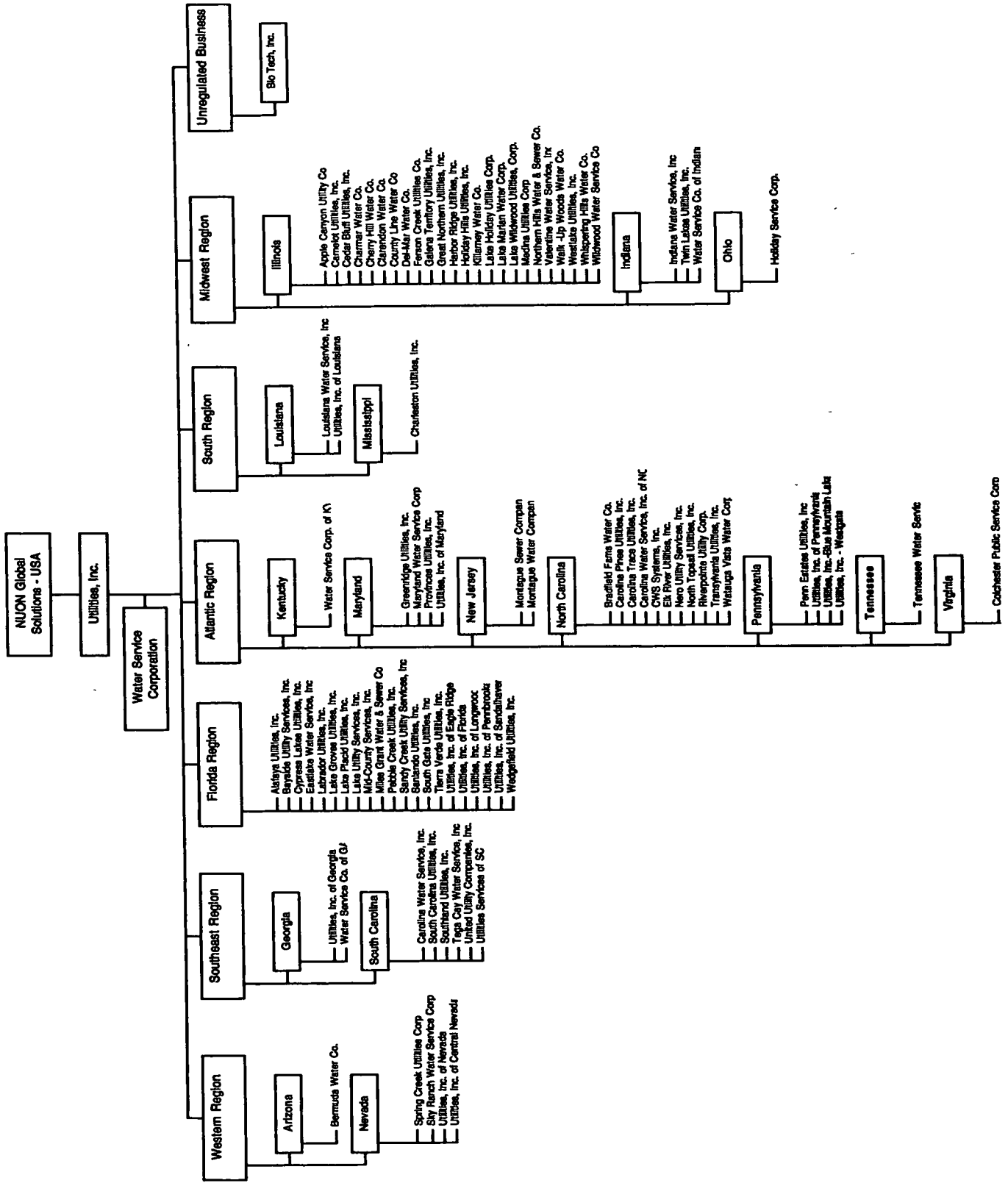
Atlantic Region

MD - NJ - PA - VA



Utilities, Inc. Atlantic Region Administration





Utilities, Inc.
Corporate Office
Northbrook, Illinois

